2001

ANNUAL REPORT

PRINCE EDWARD ISLAND

MARKETING COUNCIL

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The Prince Edward Island Marketing Council is a statutory body established under the *Natural Products Marketing Act*, R.S.P.E.I. 1988, Cap. N-3. The Council is responsible for the general supervision of commodity boards, marketing commissions and commodity groups established under the Act.

As of December 31, 2001, the Prince Edward Island Marketing Council consisted of the following members and staff:

Kenneth MacLellan, Chairman	Rena Thompson, Member
Ronald Myers, Member	Edgar Dennis, Member
Murray Cook, Member	Fred Dollar, Member
Gordon Ching, Member	Axel Irving, Member
Charles Coles, Marketing Council Officer	Eleanor Richard, Staff

Marketing Council held twelve meetings in 2001, including one conference call, and continued to keep abreast of issues facing the commodity boards, providing assistance when requested.
Marketing Council has responsibility to set bulk transportation rates for milk, and during 2000, Council established a revised methodology to set those rates. Late in 2001 Council began a planned review of the new system.
Marketing Council participated in the development of a revised Federal Provincial Agreement for Chicken. A new Agreement was signed in June, 2001.
Marketing Council conducted milk utilization audits of milk processing plants. As well, Council and staff performed routine duties such as liaising with national agencies, conducting elections, regulating fluid milk prices and providing general supervision over the boards, commissions and commodity groups.
During the course of the year, Council met with Directors and senior staff of three Boards and one Commodity Group.

Appreciation and thanks are expressed to Mr. Bert HonKoop, who served as a member of Marketing Council for several years.

APPEALS TRIBUNAL

The Natural Products Appeals Tribunal is a statutory body established under the *Natural Products Marketing Act*. It is responsible for hearing appeals of decisions made by commodity boards, marketing commissions and the Marketing Council.

As of December 31, 2001, the Natural Products Appeals Tribunal consisted of the following members and staff:

Donald MacDonald, Chair
Colbourne Clow, Member
Kevin Ladner, Member

Dianne Bradley, Staff

During 2001, the Appeals Tribunal heard one appeal relating to a decision by Marketing Council. The Tribunal issued a decision on the Appeal that amended the decision of Council.

COMMODITY BOARDS

Commodity boards are established by regulations made pursuant to the *Natural Products Marketing Act*.

There are five commodity boards organized under the Act. The following provides a brief overview of each of these boards.

EGG COMMODITY MARKETING BOARD

As of December 31, 2001, there were 15 egg producers. The board of directors of the Egg Commodity Marketing Board consisted of the following persons:

Peter Vriends, Chairman
Leith Murray, Vice-Chairman
Don Burns, Secretary
Lorne MacNeill, Director
Donald Drake, Director

Murray Myles, General Manager

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Provincially, the egg industry continued to enjoy relatively stable conditions during 2001. On the national stage, the Canadian Egg Marketing Agency established a working committee to draft a revised Federal-Provincial Agreement for Eggs. The Board was an active participant in this committee. At year's end, work was on-going on this project.

The Board established an Egg Producer Consultative Committee made up of producers from various segments of the industry. The mandate of the committee is to provide comment and advice to the Board on issues affecting PEI egg producers.

During the year, the P.E.I Egg Commodity Board made a decision to recommend to Marketing Council that the upper limit on the amount of quota that an individual producer can hold be removed. Following discussions with the Board, Marketing Council recommended to Executive Council that the limit be increased to a maximum of 50,000 layers. Executive Council approved the change as recommended by Marketing Council.

The marketings for the year were 2.66 million dozen eggs. Approximately 1.67 million dozen were consumed provincially and 0.99 million dozen were exported to Quebec breaking plants for industrial egg products. Gross farm cash receipts from eggs were approximately $3.7 million dollars. The Egg Board continues to purchase administrative support from the Milk Marketing Board.

HOG COMMODITY MARKETING BOARD

As of December 31, 2001, there were approximately 224 hog producers. The Hog Commodity Marketing Board consisted of the following persons:

Dale Murray, Chairman
Ian Mutch, Vice-Chairman
Andrew Van Weichen, Secretary-Treasurer
Guy Cudmore, Director
Rodney Dingwell, Director
Mark Pridham, Director

Robert Harding, Executive Director

The Board establishes a weekly market price for all hogs produced in Prince Edward Island and calculates a suggested price for weanlings based on this market price. The Board also licences new producers entering the industry, and licenses processors, assemblers, and transporters of hogs within the province.

The Board administers and actively participates in pork promotion and educational programs with consumers, retailers, foodservice and health professionals on a provincial, regional and national basis. The Canadian Quality Assurance (CQA®)

program was developed by the Canadian Pork Council to assure consumers that Canadian pork is produced with food safety as a primary consideration and that responsible production practices are followed. The Board is responsible for delivery of the program in the province. In 2001, the hog industry produced over 208,000 market hogs, with farm cash receipts of $35 million.

MILK MARKETING BOARD

As of December 31, 2001, there were 313 dairy producers. The board of directors of the Milk Marketing Board consisted of:

Randall Affleck, Chairman
Harold MacNevin, Vice-Chairman
Ronald Maynard, Secretary
Gary Hughes, Treasurer (Cream Rep.)
Brian Dingwell, Director
Eric Phillips, Director
Dale Hickox, Director
Ian McIsaac, Director
Exton MacPherson, Director

Murray Myles, Director of Finance & Administration

During 2001, the Board participated in the review and approval of amendments to the Comprehensive Agreement on Special Class Pooling and the Agreement on All Milk Pooling. These are inter-provincial agreements on the sharing of revenues among producers.

The Board continued to support the updating of regulations that would facilitate the amalgamation of the Milk Marketing Board and the Dairy Producers Association, with the Board to renamed as the Dairy Farmers of PEI.

During 2001, the Milk Marketing Board continued to monitor developments in an on-going trade dispute among Canada, New Zealand and the United States relating to the export of milk products.

The Milk Marketing Board also dealt with routine matters such as producer quota transfer requests, establishment of producer quotas and involvement in a number of provincial and national committees. National committees included the Canadian Milk Supply Management Committee and the All - Milk Pool Supervisory Body.
Farm cash receipts for the P.E.I. dairy industry from milk sales in 2001 for the domestic market were approximately $56.1 million dollars with 93.4 million litres of milk produced.

POTATO BOARD

As of December 31, 2001, there were approximately 620 potato producers. The board of directors of the Potato Board consisted of:

Vernon Campbell, Chairman
Bertram Webster, Vice-Chairman
Owen Ching, Secretary-Treasurer
John Wallace, Director
Rodney Dingwell, Director
Harris Callaghan, Director
Layton Wallace, Director
Ross Lewis, Director
Stuart Affleck, Director

Ivan Noonan, General Manager

Two major industry issues faced the Board during 2001. An isolated case of the Potato Wart fungus, identified in a single field of processing potatoes in the province late in 2000, resulted in serious marketing implications for many growers throughout most of the first part of the year. The lack of rainfall throughout much of the summer of 2001 resulted in seriously reduced marketable yields for many producers.

The Board continued to participate in the seed strategy, and while results with respect to leafroll virus were positive, results with respect to mosaic virus in some varieties were disappointing.

Total provincial production of potatoes amounted to 17,820,000 hundredweight, representing a yield decrease of about 39% from the previous year.
Farm cash receipts were reported as $126 million, down about 19% from the previous year. The Board licensed 67 dealers and 10 exporters in 2001.

POULTRY MEAT COMMODITY MARKETING BOARD

As of December 31, 2001, there were 7 poultry producers. The board of directors of the Poultry Meat Commodity Marketing Board consisted of:

Leonard Carver, Chairman
David MacKenzie, Secretary
Dean Good, Director
Kevin Carver, Director
Andre Merks, Director
Adrian Uyterlinde, Director
Kathy MacPhail, Director

Janet Hilliard-Murphy, Secretary/Manager

In 2001, Island farmers produced over 3.2 million kilograms (eviscerated weight) of chicken meat during the year. The farm cash receipts value totalled over $5.3 million.

The Board representative to Chicken Farmers of Canada participated in the development of a new Federal/Provincial Agreement governing the Canadian chicken industry. The new agreement was signed in June, 2001.

The development of an On-Farm Food Safety Program for Island producers continued to be an important project for the Board during 2001. Further implementation of validation procedures will result in the program being fully operational.

MARKETING COMMISSIONS

Marketing Commissions established by regulations made pursuant to the *Natural Products Marketing Act.*

There is one marketing commission organized under the Act:

TURKEY MARKETING COMMISSION

This Commission remains inactive.

COMMODITY GROUPS

Commodity groups are established by order of the Minister of Agriculture and Forestry pursuant to the *Natural Products Marketing Act.*

The powers of a commodity group are restricted to collecting a refundable levy from producers, with the objectives of facilitating the interchange of information among producers, promoting better means of commodity production and marketing and promoting the use of the commodity.
There are presently two commodity groups organized under the Act.

WILD BLUEBERRY GROWERS ASSOCIATION INC.

As of December 31, 2001, the board of directors of the Association consisted of:

John MacDonald, President
Tom Matheson, Secretary
Leigh Jenkins, Treasurer
Glen Saunders, Director
Rodney McInnis, Director
Daniel Cormier, Director
Reg Trainor, Director
James Stewart, Director
Kevin Carver, Director

The Association was named as a Commodity Group on August 10, 2001. A levy of one-third cent per pound on all blueberries grown in Prince Edward Island was put in place. The levy was collected through a check-off system administered by the processors purchasing the PEI crop. The funds raised by the levy will assist the Association in providing information to blueberry producers, promoting better means of commodity production and marketing, and encouraging and promoting the use of the wild lowbush blueberry.

There were approximately 5.3 million pounds of PEI wild lowbush blueberries marketed in 2001, with a farm cash receipt value of approximately $2.12 million.

CATTLEMEN'S ASSOCIATION INC.

As of December 31, 2001, the board of directors of the Prince Edward Island Cattlemen's Association Inc. consisted of:

Darlene Sanford, President
Dean Baglole, Vice-President
Glen Campbell, Secretary-Treasurer
Duane MacDonald, Director
Barry Clohossey, Director
Buddy Loane, Director

Susan Hughes-Rowan, Industry Development Officer

The Cattlemen's Association participates in national beef information and promotion efforts. The branded product established under the leadership of the Maritime Beef Development and Marketing Group continued to have success in the retail marketplace during the year. The PEI Cattlemen's Association is carrying out the administrative work related to the project.

The Association and the Milk Marketing Board, with support from government, renewed an agreement to provide an Island - wide dead stock removal service.

At the annual meeting of the Association in November, members approved an increase in the levy rate and endorsed a mechanism to include cow-calf producers in the levy.

There were approximately 27,400 head of cattle marketed in 2001, with a farm cash receipt value of approximately $29.2 million.